

A study on the Impact of online shopping over small retailers

Deena paul

Student of II m.com College : Kristu Jayanti college

Abstract:

In this paper an attempt has been made to highlight the impact of the increasing trend of online shopping over the various fixed shop retailers. A certain larger population is fully dependent upon these retailers. But the entry of e-stores with their attractive financial and non-financial rewards and other wide varieties has strongly impacted on small retailers and also brought a fear of uncertainty. Here we mainly study about how the retailers are effected with the advent of online-shopping The attempt is made to see an increasing trend of online shopping on profitability of retailers

Keywords: E-stores, fixed retailers, profit-margin, online shopping .

INTRODUCTION:

Online shopping system is very helpful for the customer, they can directly buy from their home, through the sources of internet connection on mobile or personal computer. And the transaction of money is completely on the real time bases. Through this online shopping goods are directly delivered to buyers house. Online shopping technique can help to manage products and services online by choosing the listed products from the online shopping website customer can choose different product based on categories, here it basically help to choose product faster and easier at one place. This technique saves time for travelling to the seller's place and products which are bought online will always be delivered to the footsteps of the buyer in short, An online store is a virtual store on the internet where users can browse the catlog and select product of interest. The selected item's may be collected and at the time of payment they will ask us to fill billing address and also shipping address and other payment information like credit card or debit card etc. E-store is a form of electronic commerce

Retailing this basically consists of selling products from a permanent location a retail store in small quantities directly to the consumers. These consumers may be individual buyers or a group. A retailer purchases goods or merchandise in bulk from manufacturers directly and then sells in small quantities are known as Retail stores .

Shops may be located in residential areas, colony streets, community centres or in modern shopping forum/ malls. Any organization selling goods to final consumers whether a producer, wholesaler or a retailer -is doing retail business.

It does not take into account how the product is being sold. While on the other hand, retail will have a consistence of product range, pricing, marketing and the way the items are displayed. A retail-format will be suitable for a retailer does not depend upon market practice but upon retailer's budget, merchandise and the need of the locality. A good format draws more footfalls and helps retailer a platform to succeed and earn name and fame.

REVIEW OF LITERATURE:

TOPIC: Effect of Online Reviews on Consumer Purchase Behaviour

Zan Mo, Yan-Fei Li, Peng Fan

DATE: 29-june-2015

In order to understand the effect of online reviews on consumer purchase behaviour, more than 400 Taobao shops' online reviews are collected. Based on S-O-R model (Stimulus-Organism-Response Model), this paper studies the influence on consumer purchase behaviour according to online reviews of experience goods from a new perspective of consumer learning. Using SPSS 19.0 software for data analysis and assumptions, statistical results show that the positive reviews, describing rating, picture reviews, appended reviews and cumulative reviews have an effect on consumer purchase behaviour.

TOPIC: Consumer perceptions of privacy and security risks for online shopping

Anthony d. Miyazakiand, Ana Fernandez

DATE: JUNE 2001

Government and industry organizations have declared information privacy and security to be major obstacles in the development of consumer-related e-commerce. Risk perceptions regarding Internet privacy and security have been identified as issues for both new and experienced users of Internet technology. This paper explores risk perceptions among consumers of varying levels of Internet experience and how these perceptions relate to online shopping activity. Findings provide evidence of hypothesized relationships among consumers' levels of Internet experience, the use of alternate remote purchasing methods (such as telephone and mail-order shopping), the perceived risks of online shopping, and online purchasing activity. Implications for online commerce and consumer welfare are discussed.

Objectives:

To study the emerging E-stores impacting on profitability of retail shops.

To study the changing pricing patterns of retailers to face the competition from E-stores.

To study the changing business patterns of retailers to achieve customer retention.

To analyse the new business pattern for achieving their customer satisfaction.

Methodology of the study:

The Research Methodology consists of sampling techniques and statistical tools for analysis, data interpretation etc.

Source of data

The data for this particular study is been collected through primary data. the sources for the primary data are direct and personal interview from the retail owners.

Universe of the study

The study consists of the retailers in Bangalore city. And the retailers have chosen in a random format for this research purpose

Sample Unit

For this study a sample of 20 retailer stores has been selected on the basis of convenient sampling for the purpose of the research.

Sampling Techniques

For this study convenient sampling technique method has been applied on the bases of availability of information in the market so as to give more accurate picture of the impact of online shopping.

Data representation tools

The data has been collected and classified and presented through bar diagram

Importance of the problem

Shopping over the internet is becoming popular over shopping from physical stores, because of various reasons but we cannot close our eyes on seeing the pitiable conditions of physical retail stores due to the popularity of virtual shopping. The physical shops incurs heavy cost on storing and referring their product from the view of customer satisfaction and availability of services, online shopping has badly affected the physical retail stores.

Limitations :

the detailed study has been conducted taking on 20 retail stores based upon convenient sampling.

Time is also a limiting factor as the study is conducted in a very short span of time.

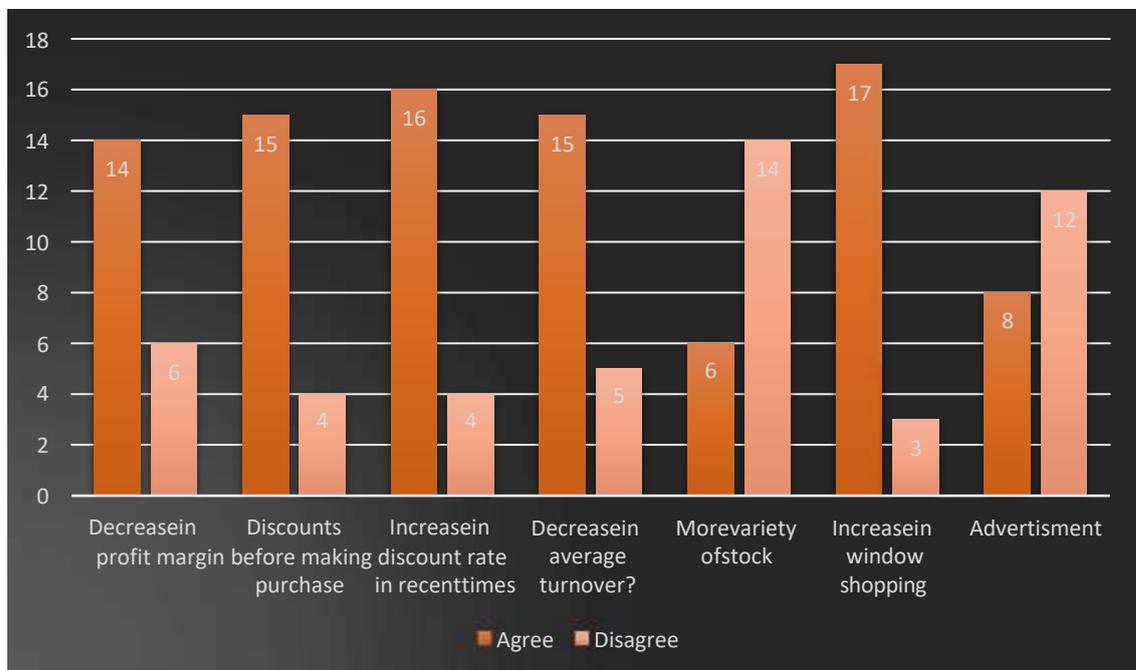
The belove study and analysis is basically made to understand that if there is any change is the customer behaviour towards the retail store on the advent of online stores.

Data presentation:

Table:1

List Of Question	Yes	No
Is there any decrease in profit margin?	14	06
Do customers ask for discount before making purchases?	15	05
Have you made any increase in discount rates offered to customer in recent times?	16	04
Has there been any decrease in average turnover?	15	05
Do you keep more variety of stock at your store now-a-days?	06	14
Is there an increase in window shopping in recent times?	17	03
Do you advertise about you enterprise?	08	12

Chart-1



Interpretation:

Most of the retailer they have been faced very low profit margin has there is a high amount of discount is been allotted through that sight .And as there is many offers prevailing in the online website the customer ask for discount before going with the purchase. the retailer has to

retain the customer so they have to make certain offers for the product. The table highlights that there has been a decrease in turnover in most of the enterprises with a figure as high as 80%. Retailers maintain a few varieties of stocks so that this will meet the requirement of the customers. As of 85% retailers are pointing out that there is an increase in the window shopping.

Findings:

- a. Turnover and profit margin of the retailers has considerably decreased in the past few years.
- b. Retail stores are now-a-days more engaged in services related to customer satisfaction.
- c. Although the retailers are not able to keep a wide variety in their stock, they attempt to keep the best of them so as to affect more sales.
- d. Customers are seen to make window shopping at an alarming higher rate to have a physical look at the product and buy that product online at a reduced rate.
- e. Retail stores are now starting up with home delivery services of their various products at the door step of their customers.
- f. The consumers become more comfortable with the experience of purchasing online with the convenience and product range become relatively more important as a deciding factor for shopping online.

Suggestions:

The retailers need to make substantial investment in acquiring some advanced expertise in developing more accurate and scientific demand forecasting models

- The existing small and medium independent retailers is to closely examine are taking place in their immediate vicinity.
- The next effort should be to encourage retailers to make some investments in improving the interiors of their respective establishments to make shopping an enjoyable experience for the customer.
- Retailers have to change the attitude towards customers and the market, fixing their priority as consumer satisfaction.
- A retailer should be in the good books of customer by providing better quality products, fair price and friendly after sales services.
- A loyal customer reduces the cost of retailer. All efforts should be put by retailers to build up the loyalty which in turn will bring a stable sale and stable customers like bonus points, free insurance, preferred customer status, cash back schemes and other special offers which satisfy the customer.

Conclusion:

The face of retail has changed. The advent of technology in recent period being the primary reason for it. Today, retailing means going into shopping centers, going online and going mobile. In all these, small retailers miss out somewhere. But the nearby store is always the most important concern for all reason and seasons. It needs to revive not just survive. The retail stores needs to simply uplift its pattern of business and face the competitive world with a more positive outlook. E-stores and retail stores both have to survive, none at the cost of the

other. It's not just about the livelihood it gives to the thousands of people but also the convenience and the steadfastness of a fixed retail store.

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